THE TRAVANCORE STATE AID TO INDUSTRIES BILL.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): I rise to introduce a Bill to provide for the giving of state aid to industries. The Bill, with a statement of objects and reasons, has been published in the Gazette, and I now beg to move that the Bill be read in Council.

MR. T. K. MADHAVAN NAYAR (*Ag. Secretary to Government*): I second it.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): It will be admitted, nay, it will be asserted that it is one of the legitimate functions of every Government in India to foster and develop industries, although most of them may ordinarily be conducted by private individuals. Probably, there are countries where such a proposition would not be granted; and probably in India also such a proposition would not have been granted some time ago. But now it seems to be the unanimous opinion of the people everywhere in India that the Government must intervene and do, within certain limits, all that they can to foster and develop the industries in the country. One of the commonest methods of assisting industries that can be thought of is to give them direct financial aid. It is with a view to give statutory basis for this, and to provide for statutory ways and means for carrying it out that this Bill has been prepared.

Although it may be granted that industries must be helped by Government, I daresay that it will not be contended that to *every* industry, or at every stage of development of deserving industries, or to industries with any amount of capital the proposed aid at the hands of the Government should be given. Some restrictions have therefore to be placed as to the classes of Industries eligible for Government aid. That then is the first provision in the Bill to which I would draw the attention of the House. Clause 12 of the Bill provides the classes of industries considered eligible for state aid. Under that Clause the industries that would be eligible for the aid are:—

(i) a new or nascent industry,

(ii) an industry to be newly established in an area where such industries are undeveloped or are likely to be successful,

(iii) an industry which is likely to become more profitable by an investment of more capital,

(iv) a cottage industry including industries conducted by groups or organisation of artisans. These are the four classes of industries eligible for state aid. With regard to this classification there is one point which I would request the House particularly to note, namely, that cottage industries of *all* classes and of *all* types will be entitled to state aid. In regard to cottage industries there is absolutely no restriction that it should be a new or nascent industry or that it should be in a particular area and so on. There is no such restriction in the case of cottage industries; because it is the desire of Government that cottage industries should be developed and fostered to the largest extent possible.

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The next point that may require explanation is in regard to the methods or the forms in which the aid is to be given. This is detailed in Clause 11 of the Bill. There is no need for me to read the whole Clause. I would simply say that, in sub-clause (*a*), money loans, the most common form of aid, has been provided for.

The only other sub-clause to which I would draw special attention now is sub-clause (*h*) which provides for the supply of machinery on hire purchase system. This form of aid will be particularly useful to cottage industries and even to agriculture in some parts of Travancore. It is hoped that many industries would be able to take advantage of this method of aid.

The only other point to which I should like to draw the attention of the House at this stage is, with reference to the authority to be set up to judge which industry is entitled to the aid and which not. For this purpose, a board is proposed to be constituted in which there will be a non-official majority ; and it is provided in Clause 14, sub-clause 1, that no aid whatever would be granted unless this board recommends it. This provision, it is hoped, will create public confidence and will show to the public and to the people who want the aid, that the aid would be given only in deserving cases. Of course, since it is Government money that is to be given as aid, that is to say, since it is the money of the general tax-payer, some precaution has to be taken to see to the proper use of the money advanced. For this purpose, provision has been made for the inspection of the industries concerned, for proper auditing and for other necessary safeguards.

These are the main principles to which I would draw attention today; and if the principles of the Bill are accepted, I would propose that the Bill should go to a Select Committee.

MR. A. S. DAMODARAN ASAN (*Mavelikara* cum *Kartikapalli*) : Sir, while supporting the principle of the Bill, I wish to make one or two observations as regards some of the provisions which are intended to carry out the principles enunciated in the statement of objects and reasons.

The learned Law Member has been saying that the board has been so constituted as to generate public confidence because it was to have a non-official majority. The provision as regards the constitution of the Board states that not less than three-fifths of the members shall be nominated by the Government ; and there is an additional provision to the effect that rules might be made by the Government for any of the non-official members being appointed as the result of an election. A similar provision has been read out in the morning from the Village Panchayat Courts' Regulation which was passed in 1090. That provision enabled Government to make appointments by election also. Although it is now fifteen years since the Regulation came into force nothing has been done by Government to appoint members by election. So, what I have to submit is that the proviso which enables the Government to provide for election is not likely to be brought into force in the

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[Mr. A. S. Damodaran Asan.]

near future. There is no provision which says that this committee should contain some experts. I would suggest that the constitution of the board be framed in such a manner as to consist of some experts nominated by the Government and the rest elected by the non-officials, the elected part forming the majority.

Another matter which will have to be considered by the Select Committee is that in certain of the Sections the Bill intends to take away the rights of civil courts. We find that in the enactments which were brought into force recently Government always see that the civil courts are avoided in the matter of settling civil rights. What I submit is that it is not fair that the Government should shirk the proceedings in the civil courts and so there is no necessity to take away from the purview of civil courts the settlement of certain rights which come under the purview of this Regulation. With these observations I support the principle of the Bill.

MR. K. P. NILAKANTA PILLAI (*Chirayinkil*) : Sir, while supporting the principle of the Bill, I have to make a few observations. It is well that a board has been contemplated to be created under the provisions of the Bill to deal with applications for aid to industries. At the same time the constitution of the board as suggested by Mr. Damodaran Asan is not very satisfactory. Of course, there is a provision for making three-fourths of the members of the board non-officials, and those members have to be nominated by Government. That is not a very satisfactory provision because in these nominations, now-a-days, the public have lost much confidence and the results aimed at by Government are not achieved while adopting this principle of nomination. Therefore, my suggestion is when the Bill provides for a non-official majority, the non-officials ought to be elected and not nominated by Government. Again there seems to be some contradiction between Clause 13 and Clause 14. Sub-clause (4) Clause 13 says :

> "Our Government may, subject to such rules and conditions as may be prescribed by Our Government, delegate to any authority subordinate to them the power to give State aid".

Clause 14 sub-clause (4) says :

> "If the Board at the meeting is of opinion that any application shall be deemed to have been rejected and no further action shall be taken on that application".

I am at a loss to understand that when the board has considered an application on its merits and has rejected that application, whether Government still possess some power over and above the powers conferred upon the board to consider favourably the application rejected by the board. When once an application has been rejected by the board, if Government has completely delegated the authority to give aid to a particular applicant, if that authority has been properly exercised and rejected by the board in which there are authoritative officers of the Government Department, then that application should not be reconsidered by the Government favourably to the applicant.

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Again there is a provision just like the one that has been now considered while introducing the Village Panchayat Courts Regulation Amendment Bill. Clause 4 provides:

"Notwithstanding the expiration of the term, the Chairman and members shall continue to hold office, unless Our Government otherwise direct, until the vacancy caused by the expiration of the term has been filled up."

That seems to me to be a nullyfying provision. When the board is to be constituted with a non-official majority, after the expiration of the term of the board, if the Government choose, it can be continued even though it may function against the law. Such a provision is very unwholesome especially when the mover of the Bill has been very careful in providing that the board should also contain a non-official majority. If this is so, I do not understand why the Board should be allowed to continue after the expiry of the term for which the board is nominated. Again it is a very important matter in which Government money is to be distributed among many applicants. Therefore when the period expires, that board should discontinue and the Government should make fresh nominations so far as the candidates are concerned without allowing the board to continue even after the expiry of the term.

Again with reference to the provision in Clause 17, "If at any time the amount of any loan outstanding together with such interest as may be due thereon on account of any State-aid given is found to exceed the percentage fixed under the first Proviso to Cause (a) of sub-section (1) of Section 11 Our Government may either recover so much of such balance as is in excess of such percentage or accept such additional or collateral security as it may deem sufficient". Here again the discretion is vested in the executive Government either to demand additional security or recover additional security. There also it is to be made compulsory and it should not be left to the wide discretion of the Government. These matters must engage the serious attention of all members of this House because we have reliable information that even under the existing rules loans given by the Industries Department have been misused and Government stand to loose today many of such loans. Therefore in the matter of demanding additional security there should not be any discretion vested in the Government. As a matter of fact, it does not satisfy the conditions laid down in Clause 11. Government should demand additional security and it should not be left to their discretion to be exercised with regard to particular individuals whoever they may be. With these observations I also support the principle of the Bill.

MR. L. R. RAJA RAJA VARMA KOIL TAMPURAN (*Changanachery* cum *Peermade*): ഈ ബില്ലിൽ ക്ലാസ് ഫ-ൽ ഒരു proviso കാണുന്നുണ്ട്. സ്റ്റേറ്റ്എയ്ഡ് തിരുവിതാംകൂർകാക്ക് പ്രത്യേകം ഉപയോഗമായിരിക്കണമെന്ന ഉദ്ദേശത്തിന്മേൽ ഈ ക്ലാസ് ഇൻട്രൊഡ്യൂസ് ചെയ്തതായിരിക്കാമെന്ന് ഞാൻ വിചാരിക്കുന്നു. അങ്ങിനെയാണെങ്കിൽ ഇതിനു മതിയായ അത്ഥപുഷ്ടിയും ഉണ്ടോ എന്ന് സംശയമാണ്.

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[Mr. L. R. Raja Raja varama koil tampuran.]

ഈ പ്രിൻസിപ്പിൾ അംഗീകരിച്ചിട്ടുണ്ടോ എന്ന് എനിക്ക് അറിയണം. അല്ലെങ്കിൽ അതിനെ അംഗീകരിക്കണമെന്ന് എനിക്ക് ആഗ്രഹമുണ്ട്. ഒരു വിദേശകമ്പനി ഇവിടെ സ്ഥാപിച്ചാൽ ഈ ക്ലാസനസരിച്ച് അവക്ക് അവകാശം കിട്ടുമോ എന്ന് സംശയമാണ്.

MR. A. S. DAMODARAN ASAN (*Mavelikara cum Kartikapalli*). വിദേശകമ്പനി ഇവിടെ സ്ഥാപിച്ചു അതിൽ നാട്ടുകാരായ ഡയറക്ടർമാരുടെ എണ്ണംകൂട്ടിവച്ചാൽ ആ കമ്പനിക്കു ഈ അവകാശം ലഭിക്കുന്നതിനു വിഷമമുണ്ടോ?

MR. L. R. RAJA RAJA VARMA KOIL TAMPURAN (*Changanachery cum Peermade*) : ഉണ്ടു്. അതുകൊണ്ടു് ക്ലാസ് രചിച്ചതു് ശരിയായിരിക്കുന്നില്ലെന്നാണ് എനിക്കും പറയാനുള്ളതു്. ഇതു് സിലക്ട് കമ്മിറ്റിയിൽ വരുമ്പോൾ അന്നു് പ്രിൻസിപ്പിൾ തട്ടിക്കൂട്ടിപറയാൻ പാടില്ലെന്നുള്ളതിനെ മൂണ്ടിക്കാണിക്കുക മാത്രമെ ഞാൻ ഇപ്പോൾചെയ്യുന്നുള്ളു. ഇതു സിലക്ട് കമ്മറ്റിയിൽ ശരിയാക്കിയാൽ കൊള്ളാം. ഇതു് ഒരുപ്രധാനതത്വമായിഅംഗീകരിച്ചിട്ടില്ല എന്നു് പറയുന്നതിനു ഇടവരാതിരിക്കുന്നതിനാണുഞാൻ ഈ വാദം ഇവിടെ പുറപ്പെടുവിച്ചിരിക്കുന്നതു്.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : I do not propose to make any lengthy reply as the principle of the Bill has received, I may say, the unanimous approval from the non-official side of the House. Some criticisms have been made in regard to the details which it seems to me would be better dealt with in the Select Committee.

PRESIDENT : Does the House accept the principle of the Bill, which has now been placed before it ?

The motion, the principle of the Bill be accepted, was carried.

The Secretary to the Legislative Council then read the title of the Bill.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : Sir, I move that the Bill be referred to a Select Committee consisting of the following members to report within four months.

1. Rao Bahadur K. A. Krishna Aiyangar.
2. Mr. K. Madhavan Pillai,
3. Mr. A. S. Damodaran Asan.
4. Mr. K. C. Karunakaran.
5. Mr. K. P. Nilakanta Pillai.
6. Mr. L. R. Raja Raja Varma Koil Tampuran.
7. Mr. Mathew Murikkan.
8. Rao Sahib Dr. N. Kunjan Pillai.
9. Mr. I. C Chacko
10. Mr. C. S. Krishnaswami Aiyar.
11. Mr. R. Vaidyalingom Pillai.

and 12. Mr. Kayalam Paramesvaran Pillai.

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MR. C. S. KRISHNASWAMI AIYAR (*Ag. Financial Secretary to Government*): I second the motion.

PRESIDENT: May I take it that the motion is accepted?

The motion was carried.

PRESIDENT: Mr. Krishna Aiyangar will be the Chairman of the Committee.

THE TRAVANCORE FOOD ADULTERATION BILL.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): I rise to introduce a Bill to provide for the prevention of adulteration of foods. The Bill has been published in the Gazette with a statement of objects and reasons. I now beg to move that the Bill be read in Council.

MR. C. S. KRISHNASWAMI AIYAR (*Ag. Financial Secretary to Government*): I second the motion.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): I shall now briefly explain the principles of the Bill. The adulteration of food-stuffs offered for public sale has become a growing evil in many parts of the State; and it will not be denied that in the interests of Public Health it is highly necessary that there should be some special legislation to meet this evil. Representations in this respect have been made to Government from many quarters. The Trivandrum Municipal Council has requested Government that legislation on the lines of the Madras Act should be passed. From another end of the country, the Tea Planters, have made bitter complaints to the Government that tea is being adulterated, which not only makes the tea noxious to health but also affects the reputation of Travancore tea elsewhere. This adulteration of food-stuffs seems to be a common evil which requires immediate attention at the hands of the legislature. As I have explained in the statement of objects and reasons, the existing provisions could not meet this; the provisions in the Penal Code and the Municipal Regulation have been found to be inadequate. Therefore it is proposed to introduce this special measure to meet this evil.

MR. S. PIRAVIPERUMAL PILLAI (*Commerce and Industry, South*): May I know why goat's milk is not brought within the definition of milk?

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Goat's milk is not used as a common beverage. I speak subject to correction. The member perhaps is a better authority. I think goat's milk is not used ordinarily as a beverage in Travancore at any rate is not generally offered for public sale.

MR. MATTHEW MURIKKAN (*Vaikam*): Suppose somebody brings it into Travancore. Should it not be prohibited?

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): If the non-official side of the House thinks that goat's milk should be included in the definition, it may be considered in the Select Committee. In passing I may say that in the Madras Act it is not included in the definition of milk.

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